

Irby/Finance Committee Meeting

Monday, December 8, 2014

The Irby/Finance Committee met on December 8, 2014 at 10:30 AM at the Old U.S. Mint.

Members present: Madlyn B. Bagneris; Robert A. Barnett; Michael M. Davis; Janet V. Haedicke, Ph.D.; Lawrence N. Powell, Ph.D.; Philip Woollam; and Diane K. Zink

Staff present: Yvette Cuccia, Yvonne Mack, Mark Tullos, Celestine Washington and Robert E. Wheat

A quorum was present.

1. Call to Order

Mr. Barnett called the meeting to order at 10:30 AM.

2. Motion to Adopt the Agenda

Motion by Mr. M. Davis, seconded by Ms. Zink, to adopt the agenda. Request for public comment by Mr. Barnett. There was none. All in favor. Mr. Barnett motioned to move #6 on the agenda to #4. Seconded by Mr. M. Davis, the item was moved.

3. Irby/Finance Committee minutes

The Irby/Finance Committee minutes from November 10, 2014 were distributed in advance.

Ms. Zink MOVED, seconded by Mr. M. Davis, to approve the Irby/Finance Committee minutes from the November 10, 2014 meeting. **Unanimously approved.**

4. Update on re-roofing project

Marianne Lewis and her Store Manager Alex spoke about the situation at *Violet's Clothing Boutique*. The scaffolding went up in front of her store on October 12th. She said she is suffering substantial sales losses and asked the Committee to help her. Sales at *Violet's* are down 25% for November. So far in December, sales are already down 45%. They encouraged their regular customers to come in for October, so that month's sales numbers were the same as usual. Ms. Lewis distributed sales histories for both *Violet's* and *Jackie's*. They tried to reduce staffing, but still have spent \$100,000 in merchandise for the coming busy season. She was told by the architect that there is a chance the scaffolding will not come down until after Mardi Gras, which is 5 months vs. 2 months. The Mardi Gras season is a huge month for her.

Ms. Lewis requested a 50% rent abatement and the option to not submit her percentage rent income (if any) for as many months as the scaffolding will be in front of her clothing shop. Mr. M. Davis said he thinks it is too early to make a decision. We are not sure how great an impact this will be. Mr. Barnett asked if a commercial tenant has ever asked for an abatement of a commercial property. Ms. Mack replied that post-Katrina, the commercial tenants asked for rent abatement.

Mr. M. Davis said we will look at overages after the fact. Every 2 weeks, there are construction meetings with the affected tenants and the architects. Kevin Clark with Facility Planning said the plan is to get rid of the plywood and put fencing in its place. But there has been a conflict between the contractor and architect on the size of the fencing to make it a "no climb" fence. The contractor and architect will be putting up the correct fencing quickly once they get it. The job was delayed 45 days from the beginning but is now proceeding on schedule.

Mr. Barnett asked Ms. Washington for LSM staff's opinion on the matter. She said it seems too soon to make a final decision on abatement and withholding of overage checks. Ms. Lewis said she hopes the Committee can have a special meeting in January (after the 13th). By then, the percentage figures will be in for November and December. Mr. Barnett asked to set up a special Irby meeting at 9am on January 15th (Thursday). Mr. M. Davis told Ms. Lewis that there is no guarantee that a decision will be made at the January 15th meeting.

Mr. M. Davis MOVED that the Irby/Finance Committee urge the architect, contractor and State to move expeditiously on the roofing project. Mr. Barnett said he would draft something and send it to Mark Tullos to communicate to Facility Planning.

5. Bid proposal selections, final step

808 Chartres Street

Ms. Lewis spoke to the Committee and said she is willing to pay \$3,000 per month upon lease renewal for *Violet's Clothing Boutique* for a term of 2 years plus 2, two-year options. Mr. M. Davis MOVED, seconded by Dr. Powell to accept *Violet's* proposal. No public comment. **Unanimously approved.**

521 St. Ann Street

Photo Works LLC

Louis Sahuc gave the presentation for *Photo Works*. He has been in the space for 6 years and is willing to pay \$4,581 per month for a term of 2 years, with 2, two-year options. They have steadily increased revenues and are able to pay this higher rent. Mr. Sahuc is also a long standing residential tenant. He said he feels privileged to be in that location, takes all his own photographs, and has historically paid his rent on time. Mr. Sahuc said his product is a nice fit on the square and gets many compliments from tourists and locals about the layout of his store. The prices of his photographs vary. Mr. Barnett asked that LSM use the technically correct name on the lease to be consistent with the listing on the Secretary of State website.

Funrock'n LLC

Rhonda K. Findley spoke on behalf of *Funrock'n LLC*. Business Manager, Mr. David Gordin, was also in attendance. They are willing to pay \$4,581 per month. Ms. Findley said she is honored to be

considered for a spot on Jackson Square. She distributed electronic pictures of her renovated store uptown which uses recycled material. Ms. Findley offered samples of their coffee, which would be set up and served in the back of the commercial space. She said they are not a "cookie cutter" type place. The look would be similar to her uptown store, where she just finished spending about \$40,000 on renovations. Ms. Findley tried to assess the current space but did not want to infringe on the current tenant. They would need to purchase and install a small, pumped-out grease trap. It would not have to be submerged underground. Mr. Barnett asked how critical the coffee service is and Ms. Findley said it is very critical. She envisions a plumbing upgrade which might cost about \$20,000, as well as updates to fixtures and possibly electrical. Items in the store would range from unique greeting cards to a small number of handmade dresses, handmade towels, some art, pajamas, hats, jewelry, and their own brand of coffee. If she doesn't get the space, she would probably apply for another commercial space when it opens up on the square. Ms. Findley has 4 stores in the New Orleans area and they do pay a percentage rent.

6. Financials

Mr. Tullos advised that the water leak at the Lower Pontalba building was located and repaired. We won't know the utility cost differential until we get the next bill.

Dr. Powell asked about the status on repayment of outstanding rents and percentages by Stanley. They are up-to-date on their repayment schedule and currently owe \$3,705. They are paying overages and should be even by first of the year.

Dr. Haedicke MOVED, seconded by Mr. Woollam, to approve the financials. **Unanimously approved.**

7. New Business

Selection of tenant for 521 St. Ann Street commercial space

Staff recommendation would be to stay with *Photo Works* due to his long standing loyalty and prompt payments. Mr. Woollam said the sale items for *Funrock'n* are somewhat common, whereas photos are specific. Mr. Woollam also recommended *Photo Works* remain as the commercial tenant and Dr. Haedicke concurred. *Photo Works* often doesn't give LSM an overage but it is also uncertain whether *Funrock'n's* would either. Dr. Haedicke said she likes that Ms. Sahuc is a residential tenant and good for Jackson Square. Mr. M. Davis said it was a possibility that LSM could get his collection of photos for the archives. Dr. Powell MOVED, seconded by Dr. Haedicke, to renew *Photo Works'* commercial lease at a monthly rate of \$4,581 per month for a term of 2 years with 2, two-year options. **Unanimously approved.**

Adjournment at 12:10 PM.